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January 29, 2013

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The Honorable Jocelyn G. Boyd Chief Clerk and Administrator Public Service Commission of South Carolina 101 Executive Center Dr., Suite 100 Columbia, South Carolina 29210

Re: Application of Tega Cay Water Service for Adjustment of Rates and Charges,

2012-177-WS.

Dear Ms. Boyd:

I am writing in response to the Office of Regulatory Staff ("ORS")'s letter of January 28, 2012 to the Public Service Commission regarding its review of the updated regulatory expenses incurred by Tega Cay Water Service, Inc. ("TCWS" or "the Company"), and an email message from ORS counsel Jeff Nelson to hearing officer Randall Dong of January 29, 2012.

In his email message, Mr. Nelson stated that the ORS would not object to the inclusion of \$71,382.51 in additional rate case expenses in the above referenced docket. The Company respectfully requests that the Commission award \$71,382.51 in rate case expenses as reflected on the updated Exhibit KEM-1 w/p [d] (the expenses initially requested by the company were included on the corresponding page in Hearing Exhibit 15) which is attached to this letter. An affidavit from Company witness Kirsten Markwell is also submitted in their support. The Company submits that these expenses are reasonable given the extent of the issues litigated in this matter, and consistent with precedent. See e.g. Application of Carolina Water Service for Adjustment of Rates and Charges, Docket No. 2006-92-WS, Order No. 2008-855. An updated proposed order and tariff reflecting the updated expenses are also attached with this letter.

Please let me know if I can provide any further information to assist the Commission in its deliberations.

With best wishes, I am,

Charles L.A. Terreni

Sincerely yours,

[Enclosures and copyholders on following page]

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Enclosures:

- 1. Updated Exhibit KEM-1 w/p [d]
- 2. Affidavit of Kirsten Markwell
- 3. Proposed Order (updated)
- 4. Proposed Tariff (updated)
- 5. Redlined version of Proposed Order

c: Jeffrey M. Nelson, Esquire Shannon B. Hudson, Esquire Scott Elliott, Esquire John M.S. Hoefer, Esquire Ms. Lisa Sparrow